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Federal Housing Finance Board Reports
HIGHER FIXED-RATE MORTGAGE INTEREST RATES

Washington, D.C. -- The Federal Housing Finance Board today reported that the average interest rate on conventional 30-year, fixed-rate mortgage loans increased thirteen basis points to 7.11 percent during April. The average interest rate on 15-year, fixed-rate loans was 6.85 percent during April, up from 6.77 percent in March.

The contract rate on the composite of all mortgage loans (fixed- and adjustable-rate) increased 9 basis points to 6.85 percent. The effective interest rate, which reflects the amortization of initial fees and charges, also increased 9 basis points to 6.92 percent. The average contract rate on fixed-rate mortgages increased 12 basis points to 7.07 percent, while the average contract rate on adjustable-rate mortgages (ARMs) decreased one basis point to 5.91 percent.

Initial fees and charges were 0.49 percent of the loan balance in April, up from 0.45 percent in March. Forty-three percent of the purchase-money mortgage loans originated in April were "no-point" mortgages, down from 47 percent in March. The average term was 27.7 years in April, up from 27.4 years in March. The average loan-to-price ratio in April was 76.8 percent, up from 75.8 percent in March. The average loan amount increased by \$1,600 to \$163,100 in April, while the average house purchase price decreased by \$2,000 to \$224,100.

Table VI is the regular quarterly table on mortgage rate and term information by Federal Home Loan Bank District.

The National Average Contract Mortgage Rate for the Purchase of Previously Occupied Homes by Combined Lenders, a popular ARM index, was 6.88 percent based on loans closed in April. This is an increase of 0.11 percent from the previous month.

Recorded information on this index is available by calling (202) 408-2940. The May index value will be announced on June 26, 2002.

The Federal Housing Finance Board maintains telephone lines that give recorded information on the current value of many of the interest rates reported in this release. That phone number is (202) 408-2624. This recording will be next updated on June 26, 2002.

Technical note: The data is based on a monthly survey of major lenders that are asked to report the terms and conditions on all conventional, single-family, fully amortized, purchase-money loans closed the last five working days of the month. The data thus excludes FHA-insured and VA-guaranteed mortgages, refinancing loans, and balloon loans. This month's data is based on 25,194 reported loans from 113 lenders, representing savings associations, mortgage companies, commercial banks, and mutual savings banks. The effective interest rate includes the amortization of initial fees and charges over a 10-year period, which is the historical assumption of the average life of a mortgage loan. The data is weighted to reflect the shares of mortgage lending by lender type as reported in the latest release of the Federal Reserve Board's Home Mortgage Disclosure Act data.